



The President's Daily Brief

30 August 1971

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

An initial assessment of South Vietnam's Lower House elections is on *Page 1*.

The Bangla Desh government may be relying on the US to arrange talks with Islamabad. (*Page 2*)

In Laos, the Communists have rebuffed Prime Minister Souvanna's latest efforts to get peace talks started. (*Page 3*)

East German efforts to portray the Berlin agreement as a victory for Pankow's claims to sovereignty seem designed to counter doubts about it within party ranks. (*Page 4*)

Trading on the Japanese foreign exchange market was light again this morning, and the value of the yen in relation to the dollar was virtually unchanged. (*Page 5*)

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SOUTH VIETNAM

Despite some opposition claims to the contrary,

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irregularities were not a major factor in the Lower House elections yesterday. Opposition groups are busy documenting complaints, most of which are coming from Military Region IV--the Delta. None of several threatened opposition demonstrations ever materialized, however, and Communist efforts to disrupt the elections were on a small scale and were generally ineffective.

Voter participation was higher than in last year's Senate elections and in the previous Lower House elections in 1967. The sizable turnout is helping the government discredit opposition charges that disillusionment over the presidential campaign has caused widespread voter apathy in South Vietnam.

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PAKISTAN

A representative of the exiled Bangla Desh government has told an officer of the US Consulate General in Calcutta that the Bengalis believe sufficient pressure to force the Pakistani Government into discussions with Bangla Desh can only be exerted by one of the Great Powers, and that Bangla Desh authorities accordingly have canceled all other efforts to open contacts with Islamabad. The American officer reported that, although the Bengali acknowledged that his government understands that the US has not offered to undertake such an effort, it apparently assumes the US Government will do so.

The Bangla Desh government may in fact be relying solely on the US to arrange talks with Islamabad. Indeed, there is no evidence that any very serious efforts have been made through other channels.

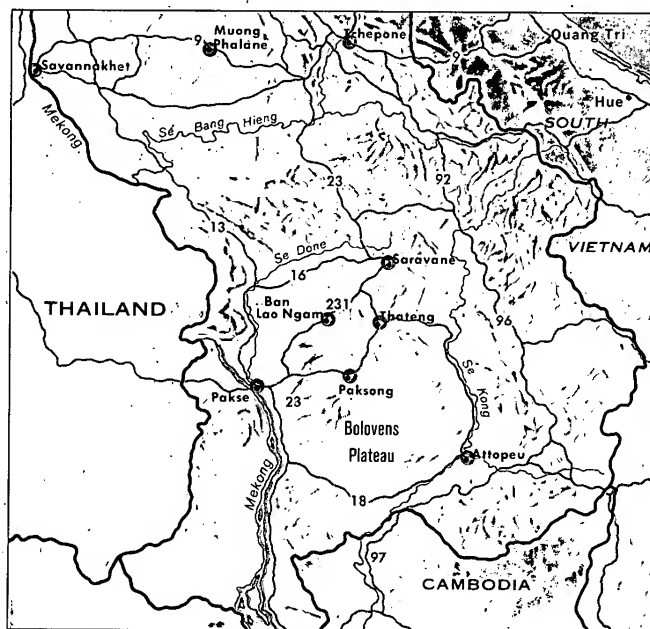
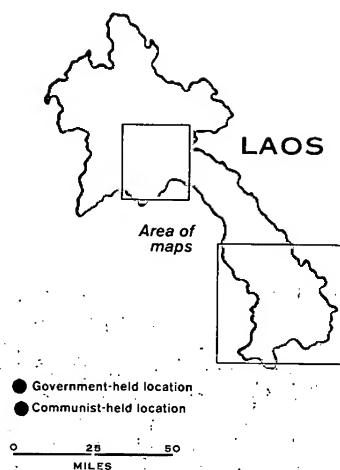
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The Bangla Desh representative claimed that 15,000 more guerrillas have entered East Pakistan, and he confirmed that an attempt will be made to sabotage the Padma, a ship carrying US-supplied military equipment to Pakistan.

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LAOS

Lao Communist leader Souphanouvong has dismissed Prime Minister Souvanna's message of 18 August, which proposed discussions for a cease-fire and a bombing halt in northeast Laos, as "unrealistic" and a "crafty maneuver." Souvanna's more recent suggestion for neutralizing the Plaine des Jarres, discussed in The President's Daily Brief of 27 August, was similarly brushed aside. The Pathet Lao representative in Vientiane told a press conference that Souphanouvong remains opposed to such a step as long as allied bombing of Communist troops and the Ho Chi Minh trail continues.

* * *

On the military front, the Communists during the past few days have made some gains against government units in the north. Three irregular battalions were forced to withdraw from four major positions in the northern foothills of the Plaine des Jarres on 27 August, following a series of heavy shelling and ground attacks. On 28-29 August, the Communists carried out similar strong attacks against three other irregular battalions on the northeastern part of the Plaine, forcing them to abandon the government's remaining positions there.

In south Laos, government forces attempting to retake Paksong on the Bolovens Plateau continued to run into scattered Communist resistance over the weekend and made no significant advances. An irregular reconnaissance team that moved briefly into Paksong on 27 August reported that villagers said the few North Vietnamese troops remaining in Paksong were sick and dispirited.

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EAST GERMANY - BERLIN

Party leader Honecker is taking a direct hand in the regime's expected effort to portray the tentative Berlin agreement as a victory for East German claims to sovereignty.

Honecker touted the East German and Soviet roles in reaching the agreement despite alleged Western obstructionism, and asserted that the accord recognizes and strengthens East Germany's territorial integrity.

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These propaganda claims, echoed in Honecker's interview with the major party daily on 27 August, seem designed to counter doubts within party ranks as details of the agreement leak out, and to guide the party's thinking during the subsidiary, inter-German negotiations on Berlin.

The first inter-German exploratory session last week deferred substantive negotiations until the governments of the four powers approve the draft accord.

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NOTE

International Financial Developments: Trading on the Japanese foreign exchange market was light again this morning of the first full day of the market's operation since the decision to float the yen, and the yen's value in relation to the dollar was virtually unchanged. Japanese Finance Minister Mikio Mizuta has stated that the decision enables Japan to take "joint action with European countries which are also floating their currencies" and to demand withdrawal of the ten-percent US import surcharge. In an effort to dispell fears over the effect of the action, he announced that relief would be given to exporters hurt by the revaluation.

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